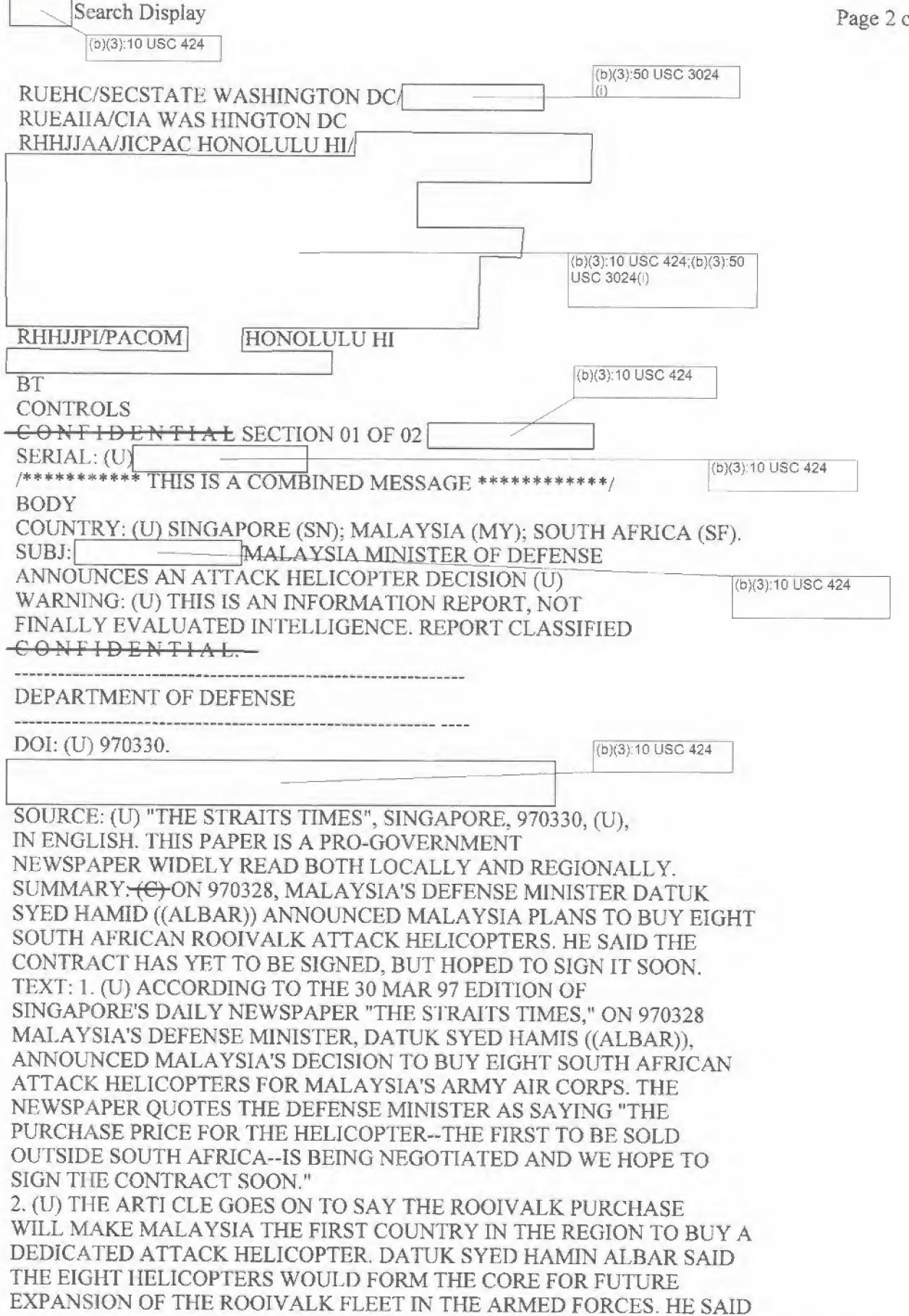


(b)(3):10 USC 424



Page 4 Withheld in full.

MALAYSIA WOULD BUILD UP THE FLEET GRADUALLY BECAUSE OF FINANCIAL CONSTRAINTS. HE DID NOT SPECIFY THE FINAL NUMBER OF HELICOPTERS TO BE PURCHASED, BUT THE ARTICLE STATED "THE MINISTRY IS UNDERSTOOD TO BE KEEN ON HAVING A FLEET OF ABOUT 30 CRAFT."

3. (U) THE DECISION TO PURCHASE THE ROOIVALK OVER OTHER MAKES COMES AFTER SOUTH AFRICA'S PRESIDENT NELSON ((MANDELA)) VISITED MALAYSIA IN MARCH 1997. HE WAS REPORTED TO HAVE SAID SOUTH AFRICA WAS CONSIDERING SELLING THE HELICOPTER TO MALAYSIA AND THE DEAL WAS BEING FINALIZED. IN ADDITION TO BUYING THE ROOIVALK ATTACK HELICOPTER, SPECULATION IS RIFE THAT MALAYSIA WILL BUY THE ORYXS TRANSPORT HELICOPTER TO REPLACE ITS AGEING NURI HELICOPTER FLEET WHICH HAS BEEN INVOLVED IN SE VERAL RECENT CRASHES.
4. DATUK SYED HAMID ALBAR SAID MALAYSIA'S CABINET ON WEDNESDAY, 26 MAR 97, ORDERED THE RMAF TO MAKE RECOMMENDATIONS WITHIN 30 DAYS ON THE FATE OF THE NURI HELICOPTER. THE CHOICE IS BETWEEN RETIRING THE NURI OR ENHANCING ITS CAPABILITIES TO REDUCE THE RISK OF FUTURE CRASHES.

(b)(1);(b)(3):10 USC 424;(b) (3):50 USC 3024(i);Sec. 1.4(c)

(b)(3):10 USC 424